VZCZCXRO2946
OO RUEHBC RUEHDE RUEHKUK RUEHROV
DE RUEHKU #1170/01 2071033
ZNY SSSSS ZZH
O 261033Z JUL 07
FM AMEMBASSY KUWAIT
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9671
INFO RUEHEE/ARAB LEAGUE COLLECTIVE IMMEDIATE
RUEKJCS/SECDEF WASHINGTON DC IMMEDIATE

S E C R E T SECTION 01 OF 03 KUWAIT 001170

SIPDIS

SIPDIS NOFORN

STATE FOR NEA/ARP

E.O. 12958: DECL: 07/24/2027 TAGS: <u>PGOV PREL MARR IR IZ KU</u>

SUBJECT: SCENESETTER FOR SECRETARY OF DEFENSE GATES' VISIT

TO KUWAIT

REF: KUWAIT 873

Classified By: Charge d'Affaires Timothy Lenderking for reason 1.4(b) a nd (d).

11. (S/NF) Mr. Secretary, we and the senior Kuwaiti leadership look forward to your visit to Kuwait on August 1. The Kuwaitis are strongly committed to the strategic relationship with the U.S. and will value this opportunity to consult with you on regional security, but especially on Iraq and Iran. We have requested meetings for you with Crown Prince Shaykh Nawaf Al-Ahmad Al-Jaber Al-Sabah, Prime Minister Shaykh Nasser Mohammad Al-Ahmad Al-Sabah, and Foreign Minister Shaykh Dr. Mohammad Sabah Al-Salem Al-Sabah. The Amir and the Defense Minister will not be in the country at the time of your visit. While the meetings will fosuc on Iraq, Iran, and the U.S.-Kuwait strategic relationship, the Kuwaitis may also raise the Israeli-Palestinian conflict, instability in Lebanon, and the status of the four remaining Kuwaitis in Guantanamo. Kuwait's support for Operation Iraqi Freedom has been tremendous, and the GOK leadership will welcome your recognition of their contributions as we consult on the next phase.

Iraq

- 12. (S/NF) The GOK leadership is nervous about possible U.S. plans to pull out of Iraq. They have been critical at times of the U.S. prosecution of the war and have repeatedly stressed the importance of giving the Iraqis more responsibility for security and reducing the U.S. footprint in Iraqi cities. However, they fear that a near-term withdrawal will bring further instability to Iraq, which could have spillover effects in Kuwait. The Kuwaitis are aware of public and Congressional pressure in the U.S. to draw down our forces. They will seek an update on the Baghdad Security Plan and will want to hear about your thinking about the next phase of U.S. involvement in Iraq.
- ¶3. (S/NF) Kuwait has been generally supportive of Prime Minister Maliki and the Iraqi Government, but they are concerned that his perceived sectarianism is not helping to bring about stability. They have expressed doubts about whether Maliki has the strength and support internally and in the region to improve the security situation in Iraq and diminish sectarian violence. There is lingering concern, especially in the Kuwaiti military, that Iraq could pose a threat to Kuwait in the future. Further, while there is an interest within the Shi'a business community to expand commercial links with Iraq, many Kuwaitis are understandably still bitter about the 1990 invasion and wary of cultivating deeper ties with Iraq.

(S/NF) Kuwait and Iraq are, nevertheless, slowly rebuilding diplomatic and economic relations. The Iraqi Embassy in Kuwait opened in July 2006 and is headed by a charge d'affaires. Kuwait has unofficially selected an ambassador to Iraq but is waiting for Iraq to appoint an ambassador before announcing its own appointment. High-level current and former Iraqi officials continue to visit Kuwait on a regular basis, including visits in 2007 by Prime Minister Maliki and former Prime Ministers Ibrahim Jaafari and Iyad Allawi. In October 2006, Kuwait hosted an Iraq Compact meeting, which an Iraqi delegation headed by Deputy PM Barham Salih attended. In December 2006, the two countries held talks on border and security issues and agreed to a joint mechanism to address border security incidents and maritime border protocol issues. Kuwait has committed more than \$575 million in aid to Iraq in the form of \$135 million in grants and \$440 million in soft loans. However, little of this assistance has been disbursed so far due to difficulties in identifying implementers on the Iraqi side, ineffective prioritizing by the Iraqi government, and security obstacles. Kuwait is not pressing to collect official debts owed by Iraq, but the Government is not likely to challenge Parliament's or the public's staunch opposition to outright debt forgiveness.

Iran

15. (S/NF) Kuwaitis are concerned about Iran's belligerent behavior and its nuclear program. Kuwaiti officials tell us privately that they believe Iran is developing nuclear weapons and express concern that this could shift the balance of power in the Gulf. However, they couch their public statements in terms of the potential environmental impact of

KUWAIT 00001170 002 OF 003

an accident at one of Iran's nuclear facilities in order not to provoke Iran. Kuwait has tried to work within the Gulf Cooperation Council (GCC) to develop a tougher, more unified approach to Iran, but internal GCC squabbles have undermined such cooperation. While expressing concern about Iranian actions, Kuwait's leadership stresses the importance of finding a diplomatic solution to the current tensions. Kuwait has been working closely with the U.S. military to increase its readiness vis-a-vis Iran -- more Patriots, more attention to infrastructure protection, and better information sharing -- though it prefers to portray itself as having an independent, rather than U.S.-allied, position.

- 16. (S/NF) In a May 22 Gulf Security Dialogue meeting a senior Kuwaiti security official expressed concern about the difficulty of interpreting and supporting what Kuwait sees as an inconsistent USG policy towards Iran. Many Kuwaitis are convinced that the U.S. or Israel will strike Iran, which they believe could provoke Iranian retaliation against Kuwaiti and U.S. facilities in the country. Kuwaiti defense officials say they are incapable of defending themselves against Iranian missiles and worry about Iran's ability to sponsor terror attacks inside Kuwait.
- 17. (SBU) Kuwait has formed a special committee to ensure compliance with UNSCRs 1737 and 1747.

## U.S.-Kuwait Strategic Alliance

18. (S/NF) Kuwait has been an indispensable ally in Operation Iraqi Freedom (OIF). None of Iraq's other neighbors allowed the U.S. to insert U.S. ground forces from its territory, and about 15 percent of all Coalition forces involved in OIF are actually based in Kuwait. Over 80 percent of force rotations have transited Kuwait and continue to do so. Kuwait provides security for all convoys involved in OIF and Kuwait's infrastructure, including its highway system, main deep water port and airport, has been heavily burdened. Kuwait allows the U.S. military to operate its own

border crossing, commonly known as K-Crossing, into Iraq. The GOK provided over two billion dollars in free fuel for OIF from December 2002 - December 2004 and continues to provide fuel at concessionary prices. The total annual value of Kuwaiti contributions to OIF is estimated to be over one billion dollars, when security, waived port and ground support fees, and other concessions are considered. Despite this mission-critical aid, few of the many senior U.S. officials who pass through Kuwait on their way to Iraq stop to consult with the Kuwaitis. Secretary Rice visited Kuwait in January 2007.

 $\P9$ . (S/NF) The U.S. signed a Defense Cooperation Agreement (DCA) with Kuwait in 1991 and renewed it for 10 more years in 12001. The DCA obligates Kuwait to provide assistance in kind and "burden sharing" (Kuwaiti reimbursement for U.S.-paid contracts), which has amounted to hundreds of millions of dollars per year since 2003. Either side may withdraw with one year's notice, and the fact that Kuwait has not sought to modify the agreement since the fall of Saddam Hussein indicates that Kuwait sees the DCA as the basis for future military relations with the U.S. However, regional tensions could produce strain in the relationship. The DCA's stated purpose is twofold: "strengthening the security and stability of the Gulf region" and "being prepared to confront aggression against Kuwaiti sovereignty, security, and territorial integrity." The regional security element is quite sensitive for the Kuwaitis. Therefore, the DCA is classified and many Kuwaitis, official and unofficial, are under the impression that the DCA is only about the defense of Kuwait. Since OIF, however, it has been increasingly difficult to maintain that impression. Kuwait is nervous because it does not clearly understand U.S. plans for the region. For instance, the defense minister made major headlines on June 12 when he said "Kuwait will not permit any party to use (Kuwait's) territory to attack anyone. he denied the U.S. had asked to use Kuwait's territory to attack Iran, the subtext was clear. GOK officials believe the U.S. should consult with them more frequently and better  $% \left( 1\right) =\left( 1\right) \left( 1\right)$ integrate Kuwait into U.S. policy in the region. Continued high-level communication is necessary to prevent conflicts between U.S. basing priorities and what Kuwait will find acceptable.

110. (S/NF) The United States and Kuwait held their most recent Gulf Security Dialogue (GSD) on May 22 to coordinate policy on regional security and political issues (see reftel). Iran and Iraq dominated the discussion, but a

KUWAIT 00001170 003 OF 003

number of other key issues were raised by both sides. Critical Energy Infrastructure Protection (CEIP) is a key issue of mutual concern, and the U.S. sent multi-agency teams to Kuwait in March and June to evaluate Kuwait's CEIP. The visits resulted in a number of urgent U.S. recommendations. Kuwait has been making some progress on implementing these recommendations. The USG has also proposed establishing a Joint Working Group (JWG) to enhance Kuwait's energy infrastructure security through a formalized exchange of expertise and intelligence. Kuwaiti representatives from both the Government and the state-owned oil companies expressed strong support for the establishment of a JWG, but the terms and composition still need to be determined.

111. (S/NF) The Kuwaitis reiterated their need for the continued flow of U.S. military systems for their self-defense. The Kuwaiti side stressed the need for increased intelligence sharing to prevent terrorism. The head of the National Security Bureau expressed willingness to participate in future Proliferation Security Initiative (PSI) exercises, noting that it would be easier to do so if they were a UN rather than a U.S. initiative. (Note: Kuwait backed out of a PSI exercise in October 2006 under Iranian pressure.)

-----

112. (S/NF) The crises in the Palestinian territories and Lebanon are of concern to the Kuwaiti leadership. In senior-level meetings GOK officials frequently stress the importance of resolving the Israeli-Palestinian conflict in order to achieve peace and stability in the region, and Kuwaiti officials often point to Lebanon as an example of how Iran can destabilize the region. It is important to emphasize the U.S. commitment to solving these problems justly and expeditiously. Kuwait has provided substantial economic assistance to both Lebanon and the Palestinians, demonstrating the Kuwaiti leadership's strong commitment to regional stability and security.

## Guantanamo

113. (S/NF) Four of the original twelve Kuwaitis remain in detention in Guantanamo. These four are considered high-threat detainees. The issue is an extremely prominent and emotional one for Kuwait, and Kuwait's top leadership frequently raises the issue in high-level meetings with USG officials. The USG has asked the Kuwaitis to establish substantial concrete threat mitigation measures to minimize the chance that the remaining detainees would return to extremist activities should they be transferred to Kuwait. The Amir wrote to the President on July 14 and made general assurances that the returnees would be tried and punished if found guilty. He also made general assurances that the GOK would maintain adequate surveillance of the returnees if they are released. Thus far we have not found these assurances satisfying.

## Domestic Politics

114. (S/NF) Kuwait's Parliament ended an extremely bitter year of conflict with the Government when it recessed for the summer on July 12. Major legislative issues received short shrift as parliamentarians succeeded in ousting the Minister of Information in December and the Oil Minister in June. They also forced the entire cabinet to resign in March, resulting in a reshuffle of several ministers. Other ministers will reportedly face attack when the parliament reconvenes in October. These domestic squabbles are unlikely to affect Kuwait's foreign policy, which the unruly Parliament rarely addresses in any depth. To date, ministers key to the U.S.-Kuwait strategic relationship have not been seriously threatened and most MPs, including most Islamists, see a long-term strategic relationship with the U.S. as a necessity.

Lenderking